

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. EGMA-45023
TO INFO	Chief, EE Chief of Station, Germany		HEADQUARTERS FILE NO. 200-6-1 [] F.F. CE-1181
FROM	Chief of Base, Munich <i>M. L.</i>		DATE 30 September 1959
SUBJECT	LCIMPROVE/EQUAL/CARETINA/Operations Munich Base Problems in Handling CARETINA and Related		RE: "43-3" - (CHECK "X" ONE) MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED	Rote Kapelle Operations		
<p>REFERENCE(S)</p> <p>a. EGMA 42334, 28 May 59 <i>cyf. []</i> CARETINA</p> <p>b. EGMA 43172, 24 July 59 <i>cyf. []</i></p> <p>c. EGMA 44213, 17 Aug 59 <i>cyf. []</i></p> <p>d. EGMW 8145, 4 Aug 59 <i>cyf. []</i></p> <p>e. EGMW 8059, 29 July 59 <i>cyf. []</i></p> <p>f. EGMA 42755, 10 June 59 <i>cyf. []</i></p> <p>1. With the departure of [], the Munich Base will no longer have the capability of continuing its activity on the Rote Kapelle complex to the depth it has been participating these past two years. As Headquarters is aware, [] has been responsible for guiding the Base's activities directed at the Rote Kapelle complex and related RIS activities. She has written most of the correspondence concerning the entire project; has supervised and guided the organization of the files; and has, in general, been trying to determine what the status of the former Rote Kapelle complex is in order to provide Headquarters with material on which to decide what the current and continued operational value of this activity might be.</p> <p>2. In carrying out her work, [] was aided by a staff consisting of three contract part-time employees and one intelligence officer on a part-time basis.</p> <p>a. [], Russian and German-speaking case officer, was in contact with CARETINA. In essence, he was acting as a cutout for [] because it would have been unwise to have [] meeting with CARETINA. As [] has been more than fully occupied with FI and CE operations, he did not attempt to gain any profound knowledge of Rote Kapelle and related RIS activities.</p> <p>b. The three contract employees—[] and [] have been translating, typing, and filing as required by the activity.</p> <p>Thus, it is quite evident that none of these individuals have the background necessary to carry on the activity as it was under [] guidance.</p> <p>3. The activity under [] guidance was as follows:</p> <p>a. Debriefing and assessing CARETINA and processing his raw reports.</p> <p>As Headquarters is aware, our original approach to CARETINA was for the purpose of proving or disproving the suspicion that he was returned to West Germany on a mission for the Soviet intelligence services. We have tested him in every way available to us: LCFUTTER, telephone taps, mail intercepts, direct questioning. We have found no evidence of Soviet control or contact. He is more than willing to report on everything he can remember. He is still devoted to intelligence work and considers his career and profession to be a counterespionage specialist. He would like nothing better than to be employed by the Americans to recontact such old acquaintances as KENT's mistress, Margarete BARCZA, whose son by KENT is CARETINA's god-child; to investigate survivors of the SCHULZE-BOYSEN and HARNACK's, etc., groups in West Germany; to nose around in Belgium and Holland to find who is still there. He has no concept of, and we have not CARETINA</p>			
FORM 53b 10-57 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-26A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	<input checked="" type="checkbox"/> CONTINUED 1

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PANNWITZ, Franz

told him, how much activity has already occurred on the part of various Western IS's along this line.

b. Study of and incorporation of the SAUTER papers for purposes of determining the extent of UPSWING's research and operations in the field; identification of sub-agents reporting to SAUTER and working on the UPSWING-directed project; determining whether or not SAUTER and sub-agents did identify previously unidentified Soviet agents.

c. Bringing Rote Kapelle files up to date by incorporation of UJDRIZZLY material; the FINK material (see EGNA 10384 of 4 Dec 56; EGLA 21521 of 26 Nov 56, etc.) which amounts to 1206 photocopy pages; tracing all Munich Base files.

d. Analysis of the potential that our liaison with UPSWING might offer in completing KUBARK files on the Rote Kapelle complex.

4. The following steps have been taken to reduce the activity to the limitations of the Base:

a. In late July 1959, [] informed CARETINA that he was dropping contact and discontinuing the monthly payments until such time as our experts had an opportunity to assess the value of the material and the desirability of continuing the contact. The relationship with CARETINA was left in such a manner that it may be picked up again should Headquarters so desire, but we can see no particular value in reactivating the contact unless it be under the guidance of someone who has a depth of knowledge regarding the Rote Kapelle complex and RIS activities connected therewith. This action was taken in anticipation of the time that would be required to process the mass of material produced by CARETINA and to give Headquarters a chance to assess it. From the beginning of his contact with [] CARETINA was told that the relationship was temporary and a testing period. No commitments were made for a long-term contract. Of course, at the time we ceased contact with CARETINA, he was somewhat unhappy but the break was no surprise to him. References b and c are the August reports written by CARETINA. There is also the report on the internal Communist Party net which the Germans penetrated and controlled during World War II; personality sketches of TREPPER, KENT, BARCZA; a sixty-page report on the HEYDRICH assassination and German IS activities in Czechoslovakia during World War II as well as many other reports.

b. The filing system has been set up in such a manner that the material on hand can be kept current and queries serviced by the staff which will remain. [] will act as the coordinating staff officer for these files and will continue to have the assistance of one contract employee on a part-time basis to handle translations when required and to keep the files in order.

c. It is not intended to explore further the possibility that liaison with UPSWING can produce information on the Rote Kapelle complex, because it is felt that no worthwhile results can be obtained unless the individual who talks with Dr. Otto is an expert in the Rote Kapelle complex and RIS field and is capable of talking with Dr. Otto on his own ground. The Munich Base has no one so qualified and sees no possibility

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that such an individual will be assigned; thus, it cannot expect to succeed in such an effort.

5. In essence then, Munich Base feels that it can do no more on the Rote Kapelle complex without the help of a qualified student of this specialized field and, therefore, has placed the activity in a state of suspension pending some comment or directive from Headquarters.

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